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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, FEBRUARY 16, 2000

APPLICATIONS OF

VIRGINIA ELECTRIC AND POWER COMPANY

For approval of expenditures for new generation facilities and for a certificate of public convenience and necessity CASE NO. PUE000009

and

For approval and certification of transmission facilities

CASE NO. PUE000010

ORDER FOR NOTICE AND HEARING

On January 21, 2000, Virginia Electric and Power Company ("Virginia Power" or "Company") filed an application requesting Commission approval of expenditures pursuant to § 56-234.3 of the Code of Virginia to construct two new gas-fired turbine generator units of approximately 160 megawatts ("MW") each. Virginia Power also requests a certificate of public convenience and necessity pursuant to § 56-265.2. This application is docketed as Case No. PUE0000009.

The Company proposes commercial operation of the units on or about June 2001. The proposed site for these units is in Caroline County, Virginia, near the town of Ladysmith and the Company's Ladysmith Substation. According to the application,

the new generating units will meet a portion of Virginia Power's increased capacity requirements for the year 2001 and the environmental impacts from this project will be minimal. The Company notes that the proposed combustion turbine units will operate for relatively few hours each year, will normally be fueled by natural gas, and will not require large amounts of cooling water.

In a related application filed that same day, the Company requests pursuant to the Utility Facilities Act and § 56-46.1 a certificate of public convenience for the construction and operation of approximately four miles of 230 kV transmission line to connect those new generating units to the Company's transmission facilities. This application is docketed as Case No. PUE000010.

This construction project will be located on existing right-of-way or on the property acquired for the Ladysmith combustion turbine site, except for approximately 750 feet of new right-of-way that will be required between the combustion turbine site and the existing Ladysmith-Possum Point 500 kV line corridor. A more complete description of the proposed route appears in the public notice ordered in paragraph (5) below.

Having considered the related nature of the applications, we are of the opinion that such applications should be considered together. We will therefore merge Case No. PUE000010

into Case No. PUE0000009 and consider both applications in one proceeding. We are also of the opinion that there should be notice and hearing on the applications and that Staff should investigate such applications and present its findings to the Commission. Accordingly,

IT IS ORDERED THAT:

- (1) The applications filed in Case No. PUE0000010 shall be merged into and consolidated with the application filed in Case No. PUE000009.
- (2) Pursuant to Rule 7:1 of the Commission's Rules of Practice and Procedure ("Rules"), a Hearing Examiner is appointed to conduct all further proceedings in this matter.
- (3) A public hearing for the purpose of receiving evidence relevant to the applications is scheduled for Tuesday, May 23, 2000, at 10:00 a.m. in the Commission's second floor courtroom located in the Tyler building, 1300 East Main Street, Richmond, Virginia.
- (4) Virginia Power shall make a copy of its applications, and all materials it may subsequently file in this proceeding, available for public inspection during regular business hours at Caroline County Planning Department, 108 B Courthouse Lane, Bowling Green, Virginia 22427.
- (5) Beginning on or before March 2, 2000, the Company shall cause the following notice to be published as display

advertising (not classified) once a week for two (2) consecutive weeks in newspapers having general circulation in Caroline County, Virginia:

NOTICE TO THE PUBLIC OF APPLICATIONS OF VIRGINIA ELECTRIC AND POWER COMPANY FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT AND OPERATE TWO GAS-FIRED GENERATING UNITS AND A CERTAIN TRANSMISSION LINE IN CAROLINE COUNTY, VIRGINIA CASE NO. PUE000009

Virginia Electric and Power Company ("Virginia Power") has filed with the State Corporation Commission ("the Commission") applications for authority to construct and operate two gas-fired turbine generator units of approximately 160 megawatts each and four miles of single-circuit 230 kV transmission line in Caroline County.

The combustion turbine site is located approximately 4000 feet northeast of Cedon, which is at the intersection of Route 1 and Route 632. The site is bounded on the east, south, and west by Interstate 95, Route 632, and Route 1, respectively. Just north of the northern boundary of the site is an existing Virginia Power 500 kV line.

The route of the proposed transmission line begins at Virginia Power's Ladysmith Substation located approximately 4000 feet east of the intersection of Route 603 and Route 604 in Caroline County. The proposed new 230 kV line proceeds northeast from Ladysmith Substation on the 250 foot right of way of an existing single circuit 500 kV line. This proposed 230 kV line parallels the existing 500 kV line for approximately 3.2 miles crossing Routes 632 and 1. Approximately 2000 feet northeast of where the existing 500 kV line crosses Route 1 the proposed line leaves the existing right of

way and turns south for approximately 3800 feet into the combustion turbine site. All distances and directions are approximate.

A public hearing to hear evidence relevant to Virginia Power's applications will be convened on Tuesday, May 23, 2000, at 10:00 a.m. in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia.

A copy of the applications is available for public inspection between the hours of 8:15 a.m. and 5:00 p.m. in the Commission's Document Control Center located on the first floor of the Tyler Building, and during regular business hours at the Caroline County Planning Department, 108 B Courthouse Lane, Bowling Green, Virginia 22427. A copy of the applications may also be obtained from Virginia Power's counsel at the address noted below.

Persons interested in participating in the proceeding as a Protestant, as defined in the Commission's Rules for Practice and Procedure are directed to the Commission's Order of February 16, 2000, for specific procedural instructions. This Order may be requested from Virginia Power by writing its counsel, Jill C. Hayek, Virginia Electric and Power Company, P.O. Box 26666, Richmond, Virginia, or by phoning (804) 771-4224. The Order may also be obtained by writing to the Commission's Division of Energy Regulation, P.O. Box 1197, Richmond, Virginia 23218 or by phoning 1-800-552-7945.

Any person desiring to comment in writing on Virginia Power's applications may do so by directing such comments on or before March 23, 2000, to the Clerk of the Commission, P.O. Box 2118, Richmond, Virginia 23218, and refer to Case No. PUE0000009.

Any person desiring to make a statement at the public hearing concerning Virginia Power's applications need only appear in the Commission's second floor courtroom at 9:45 a.m. on the day of the hearing and identify himself as a public witness to the Commission's Bailiff.

Individuals with disabilities who require an accommodation to participate in the hearing should contact the Commission at least seven (7) days before the scheduled hearing date at 1-800-552-7945(voice) or 1-804-371-9206 (TDD).

VIRGINIA ELECTRIC AND POWER COMPANY

- (6) On or before March 2, 2000, the Company shall serve a copy of its applications and this Order, by personal delivery or by first-class mail, postage prepaid, to: The Honorable John Paul Woodley, Jr., Secretary of Natural Resources, P.O. Box 1475, Richmond, Virginia 23218; Dennis K. Treacy, Director, Department of Environmental Quality, P.O. Box 1009, Richmond, Virginia 23240-0009.
- (7) Any person desiring to comment in writing on Virginia Power's applications may do so by directing such comments on or before March 23, 2000, to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. Comments must refer to Case No. PUE000009. Any person desiring to make a statement at the public hearing concerning the applications need only appear in the Commission's second floor courtroom at 9:45 a.m. on the day

of the hearing and identify himself or herself to the Bailiff as a public witness.

- (8) On or before March 23, 2000, any person desiring to submit evidence, cross-examine witnesses, or otherwise participate in the proceeding as a Protestant, as defined in Rule 4:6 of the Commission's Rules shall file with the Clerk of the Commission, at the address set forth above, an original and fifteen (15) copies of a Notice of Protest as provided in Rule 5:16(a), and shall serve a copy of the same on Virginia Power's counsel, Jill C. Hayek, Virginia Electric and Power Company, One James River Plaza, 701 East Cary Street, Richmond, Virginia 23219-3932. The Notice of Protest shall refer to Case No. PUE0000009.
- (9) On or before April 6, 2000, any person participating as a Protestant pursuant to Rule 4:6 shall file with the Clerk of the Commission, an original and fifteen (15) copies of its Protest, together with its prepared testimony and exhibits the Protestant intends to present at the hearing, referring to Case No. PUE000009, and shall simultaneously serve a copy thereof on Virginia Power's counsel and to any other Protestants. The Protest shall set forth (i) a precise statement of the interest of the Protestant in the proceeding; (ii) a full and a clear statement of the facts which the Protestant is prepared to prove by competent evidence; and (iii) a statement of the specific

relief sought and the legal basis therefor. Any corporate entity that wishes to submit evidence, cross-examine witnesses, or otherwise participate as a Protestant must be represented by legal counsel in accordance with the requirement of Rule 4:8 of the Commission's Rules.

- (10) The Commission Staff shall analyze Virginia Power's applications and, on or before April 25, 2000, shall file with the Clerk of the Commission an original and fifteen (15) copies of the prepared testimony and exhibits it intends to present at the public hearing.
- (11) On or before May 10, 2000, the Company shall file with the Clerk of the Commission an original and fifteen (15) copies of any testimony its expects to introduce in rebuttal to any direct prefiled testimony of Staff and Protestants.
- (12) At the commencement of the hearing scheduled herein, Virginia Power shall provide to the Commission proof of the notice and service required by ordering paragraphs (5) and (6) herein.
- (13) The Company and Protestants shall respond to written interrogatories or data requests within ten (10) days after the receipt of such requests. Upon request, the Company and Protestants shall promptly provide any workpapers or documents used in the preparation of their prefiled testimony. Except as

so modifed herein, discovery shall be in accordance with Part VI of the Rules.